

16 November 2022



**Hipgnosis Song Management CEO says songwriters continue to lose out as recorded music dominance and distortion in the Music streaming market continues**

Merck Mercuriadis, CEO and Founder of Hipgnosis Song Management today welcomed the special evidence session by the DCMS Select Committee to follow up on whether the ‘Reset of Streaming’ which the Committee called for in its July 2021 report on the economics of music streaming is underway.

**Merck Mercuriadis CEO and founder of Hipgnosis Song Management said:**

“It’s a tragedy that the excellent work and the recommendations of the DCMS Select Committee on how to improve the streaming economy for songwriters and artists are being ignored.

“Yesterday’s hearing showed that a year on virtually no progress has been made to deliver on the Committee’s recommendations and remarkably the Transparency Working Group operates in secret, behind closed doors.”

“The Committee’s July 2021 report asked the Government to refer the major recorded music companies to the CMA and for the competition regulator to investigate market failures, particularly addressing the Committee’s concerns surrounding distortions in the streaming market which result in songwriters not being paid fairly and equitably in the streaming bonanza.

“The Committee’s report identified the problems caused by lack of transparency, the continued dominance of the market by the major recorded music companies and the resulting adverse impact this is having on songwriters, meaning songwriters have no say and do not know what or when they will be paid; Non-disclosure agreements (NDAs), which block and deny legitimate information about payments to songwriters and artists; and perpetual contracts, which never envisaged streaming but are used to tie songwriters and artists to terms and conditions which are outdated and do not reflect how the market has changed over the decades.

“Whilst in its July 2022 interim report the CMA acknowledges these issues, the CMA has so far failed to address these clear failures.

“Songwriters and music publishers should be free to negotiate terms that recognise they are delivering the currency of our industry, the song. As it stands Recorded music companies owning and controlling the major publishing companies results in a distorted streaming economy for songwriters because the labels are able to dictate that most of the money goes to recorded music where they have the biggest margin at the expense of the songwriter and artist.

“I have written to the Committee and I am grateful to the DCMS Select Committee and Sir Julian Knight for not giving up on their demand for better remuneration for musicians and their efforts to fix a broken music streaming system where artists continue to be poorly compensated for the revenue brought in from music streaming.

"The CMA has the power to redress the distortion in the music streaming economy by mandating, in their final report, genuine transparency, removing unnecessary NDAs and allowing songwriters and artists on perpetual contracts the right to switch. This will go a long way to deliver a fair share of streaming revenue for artists and songwriters."

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**For more information:**

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**About Hipgnosis Song Management Ltd**

Hipgnosis Song Management is the Investment Advisor for Hipgnosis Songs Fund (SONG.L) and Hipgnosis Songs Capital.

Founded by Merck Mercuriadis, former manager of globally successful recording artists, such as Elton John, Guns N' Roses, Morrissey, Iron Maiden and Beyoncé, and hit songwriters such as Diane Warren, Justin Tranter and The-Dream. Hipgnosis Songs Management has assembled an Advisory Board of highly successful music industry experts which include award winning members of the artist, songwriter, publishing, legal, financial, recorded music and music management communities, all with in-depth knowledge of music publishing.

It was announced in October 2021 that funds managed by Blackstone (NYSE: BX) and Hipgnosis Song Management were forming a partnership to support the expansion of Hipgnosis' infrastructure and business functions, including the development of new song management expertise, data science capabilities and technology solutions.